



Health Services
LOS ANGELES COUNTY

June 8, 2006

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL TO TERMINATE THE PUBLIC HEALTH LABORATORY
SPECIMEN TRANSPORTATION SERVICES AGREEMENT WITH
NOW MEDICAL SERVICES (COUNTY AGREEMENT NO. H-212732)
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to terminate for convenience the Public Health Laboratory Specimen Transportation Services Agreement with NOW Medical Services (County Agreement No. H-212732), effective August 31, 2006, at no net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving this action, the Board is authorizing the Director of Health Services, or his designee, to notify and issue a 60 calendar day advance written notice, substantially similar to Exhibit I, informing NOW Medical Services of the County's intent to terminate their Public Health Laboratory Specimen Transportation Services Agreement (County Agreement No. H-212732), effective August 31, 2006.

The Agreement permits the County to cancel or terminate this Agreement at any time, for any reason, during the month-to-month Agreement term, beginning January 1, 2005, by giving a 60 calendar day written notice to the Contractor of such cancellation or termination. The cancellation or termination date must be on the last day of a calendar month. The termination will be effective August 31, 2006.

FISCAL IMPACT/FINANCING:

This action has no fiscal impact. Funds budgeted for NOW Medical Services laboratory specimen transportation services will be shifted internally to the Department of Health Services' (DHS) other laboratory specimen transportation service provider, California Courier Services (County Contract No. H-212732).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The current agreement term for NOW expires December 31, 2006. There is one other contract courier services provider for DHS, California Courier Services, that has agreed to take on the services previously provided by NOW Medical Services.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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The Honorable Board of Supervisors
June 8, 2006
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Attachment A provides additional information.

County Counsel has approved the termination letter (Exhibit I) as to form.

CONTRACTING PROCESS:

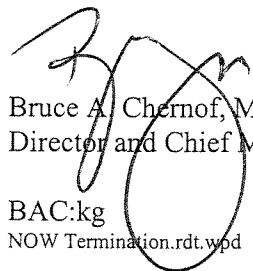
Not applicable to this action.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

DHS has taken steps to shift the workload to another County contract provider for laboratory specimen transportation services so that services will continue to be provided without interruption.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:kg
NOW Termination.rdt.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. Type of Service:

Laboratory specimen transportation services.

2. Agency Address, Contact Person, and Telephone Number(s):

NOW Medical Services

1641 ½ Westwood Boulevard

Los Angeles, California 90024

Attention: Larry Shapiro, President/Chief Executive Officer

Telephone: (310) 479-4520

Facsimile: (310) 445-3106

Electronic Mail: None

3. Term:

The current agreement term is from June 19, 2001 through December 31, 2006.

The termination effective date will be August 31, 2006.

4. Financial Information:

This action has no fiscal impact. Funds budgeted for NOW Medical Services laboratory specimen transportation services will be shifted internally to another laboratory specimen transportation service provider as needed.

5. Geographic Area:

All Districts.

6. Accountable for Monitoring and Evaluation:

Director of Department of Health Services Laboratories.

7. Approvals:

Finance: Gary W. Wells, Chief Financial Officer

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Robert E. Ragland, Senior Deputy County Counsel



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Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

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EXHIBIT I

June 4, 2006

Mr. Larry Shiparo
Chief Executive Officer
NOW Medical Services
1641½ Westwood Boulevard
Los Angeles, California 90024

Dear Mr. Shiparo:

NOTICE OF TERMINATION OF PUBLIC HEALTH LABORATORY SPECIMEN TRANSPORTATION SERVICES AGREEMENT (COUNTY CONTRACT NO. H-212732) WITH NOW MEDICAL SERVICES

On June 19, 2001, the County of Los Angeles Board of Supervisors (Board) approved the award of a Laboratory Specimen Transportation Services agreement to NOW Medical Services (NOW) (County Contract No. H-212732), effective on the date of Board approval through December 31, 2004. On December 14, 2004, the Board approved Amendment No. 1 to extend the Agreement through December 31, 2006. On June 20, 2006, the Board approved termination of above subject agreement for convenience.

This letter constitutes your 60 calendar day advance written notice of the County's termination of the subject agreement (i.e., County Agreement No. H-212732) in its entirety, effective midnight on August 31, 2006, as provided under Paragraph 36, Termination for Convenience, Paragraph 1, of the Agreement: "The performance of services under this Agreement, may be terminated when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effective by delivery to Contractor of a written sixty (60) day advance Notice of Termination specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective."

Thank you for providing services under this agreement with the County of Los Angeles.

Very truly yours,

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:rdt

c: Each Supervisor
Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller